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GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE SERVICES
DEPARTMENT OF LABOR & ECONOMIC GROWTH
DAVID C. HOLLISTER, DIRECTOR

LINDA A. WATTERS
COMMISSIONER

BILL ANALYSIS

BILL NUMBER: House Bill 5497 (As Introduced)
TOPIC: Waiver of CE Credit for Certain Producers
SPONSOR: Representative Hune
COMMITTEE: House Insurance
Analysis Done: February 1, 2006

POSITION

The Office of Financial and Insurance Services (OFIS) supports this legislation.

PROBLEM/BACKGROUND

In December of 2002, the National Association of Insurance Commissioners (NAIC) adopted 37 specific uniform standards for the licensing of resident insurance producers. Eleven of these uniform standards deal with continuing education (CE) and Michigan is already in compliance with ten of these standards.

House Bill 5497 would bring Michigan into compliance with all of the standards. The current CE requirements in Michigan's law apply to insurance producers who are licensed to write only limited lines credit insurance and whose employment is for a purpose other than selling those policies. This does not meet the uniform standard.

DESCRIPTION OF BILL

House Bill 5497 amends section 1204c(11) of the Code to require the commissioner to waive the continuing education requirements for insurance producers who are licensed to write only limited lines credit insurance and whose employment is for a purpose other than selling those policies.

SUMMARY OF ARGUMENTS

Pro

Requiring the Commissioner to waive the CE requirements for a limited line credit insurance producer puts the Michigan Insurance Code in compliance with the nationally accepted standards developed by the NAIC. This change reduces a regulatory burden on the producers who sell this product.

Con

None known.

FISCAL/ECONOMIC IMPACT

OFIS has identified the following revenue or budgetary implications in the bill as follows:

- (a) To the Office of Financial and Insurance Services: None known.

Budgetary:
Revenue:
Comments:

- (b) To the Department of Labor and Economic Growth: None known.

Budgetary:
Revenue:
Comments:

- (c) To the State of Michigan: None known.

Budgetary:
Revenue:
Comments:

- (d) To Local Governments within this State: None known.

Comments:

OTHER STATE DEPARTMENTS

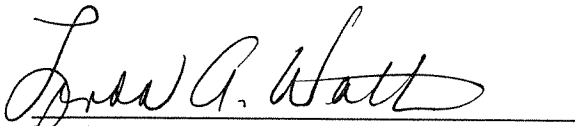
None known.

ANY OTHER PERTINENT INFORMATION

None known.

ADMINISTRATIVE RULES IMPACT

OFIS has general rulemaking authority in the Insurance Code of 1956.

A handwritten signature in cursive script, appearing to read "Linda A. Watters", is written over a horizontal line.

Linda A. Watters
Commissioner

2-1-06

Date